

**MINUTES**

**REGULAR BOARD MEETING  
MARIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION (MCERA)**

**One McInnis Parkway, 1st Floor  
Retirement Board Chambers  
San Rafael, CA**

**September 14, 2022 – 9:00 a.m.**

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This meeting was held via videoconference pursuant to MCERA Board of Retirement Resolution 2021/22-01, which invoked Government Code section 54953(e) for all MCERA Board and standing committee meetings through September 16, 2022. The public was able to listen to and observe the meeting and provide comment through Zoom.

**CALL TO ORDER**

Chair Silberstein called the meeting to order at 9:01 a.m.

**ROLL CALL**

**PRESENT:** Cooper, Gladstern, Klein, Martinovich, Murphy, Silberstein, Tomlin, Werby, Jones (alternate retired), Poirier (alternate safety), Shaw (ex officio alternate)

**ABSENT:** None

**MINUTES**

It was M/S Werby/Murphy to approve the August 10, 2022 Board Meeting Minutes as submitted. The motion was approved by a vote of 8-0 as follows:

**AYES:** Cooper, Gladstern, Klein, Martinovich, Murphy, Silberstein, Tomlin, Werby

**NOES:** None

**ABSTAIN:** None

**ABSENT:** None

It was M/S Werby/Gladstern to approve the August 17, 2022 Special Board Meeting Minutes as submitted. The motion was approved by a vote of 8-0 as follows:

**AYES:** Cooper, Gladstern, Klein, Martinovich, Murphy, Silberstein, Tomlin, Werby

**NOES:** None

**ABSTAIN:** None

**ABSENT:** None

## **A. OPEN TIME FOR PUBLIC EXPRESSION**

Note: The public may also address the Board regarding any agenda item when the Board considers the item.

Open time for public expression, from three to five minutes per speaker, on items not on the Board Agenda. While members of the public are welcome to address the Board during this time on matters within the Board's jurisdiction, except as otherwise permitted by the Ralph M. Brown Act (Government Code Sections 54950 et seq.), no deliberation or action may be taken by the Board concerning a non-agenda item. Members of the Board may (1) briefly respond to statements made or questions posed by persons addressing the Board, (2) ask a question for clarification, or (3) provide a reference to staff for factual information.

No members of the public provided comment.

## **B. TOPIC OF GENERAL INTEREST**

### **1. Reconsideration of State of Emergency conditions under Assembly Bill (AB) 361 (ACTION)**

Reconsider and take possible action to invoke Government Code section 54953(e), and to extend MCERA Resolution 2021/22-01 Authorizing Teleconferencing for Board and Standing Committee Meetings through October 14, 2022, because at least one of the following circumstances exists:

1. The State of Emergency proclaimed remains in effect and continues to directly impact the ability of the members to meet safely in person; or
2. State or local officials continue to impose or recommend measures to promote social distancing.

Retirement Administrator Jeff Wickman stated the Board is to consider whether one or both conditions listed above exist to invoke Government Code section 54953(e), and to extend MCERA Resolution 2021/22-01 Authorizing Teleconferencing for Board and Standing Committee Meetings through October 14, 2022. The extension would allow the September 28 Investment Committee, October 4 Governance Committee, and October 12, 2022 Board meetings to be held remotely.

It was M/S Gladstern/Martinovich to invoke Government Code section 54953(e), and to extend MCERA Resolution 2021/22-01 Authorizing Teleconferencing for Board and Standing Committee Meetings through October 14, 2022 because both of the conditions listed above still exist. The motion was approved by a vote of 8-0 as follows:

AYES: Cooper, Gladstern, Klein, Martinovich, Murphy, Silberstein, Tomlin, Werby  
NOES: None  
ABSTAIN: None  
ABSENT: None

## C. BOARD OF RETIREMENT MATTERS

### 1. Administrator's Report

#### a. Administrator's Update

Mr. Wickman reported that the Marin County Board of Supervisors will interview applicants for the vacant Fifth Member position on the Retirement Board on September 20, 2022.

The preliminary 2021-22 fiscal year return for the Fund was -9.01%. The final return will be established by the end of September once private equity returns are available. In response to Chair Silberstein's inquiry, Mr. Wickman said the change to the funded status will be known when the actuary develops the Actuarial Valuation for June 30, 2022.

#### b. Staffing Update

No staffing update to report.

#### c. Facility Use Report

No facility use in the period to report.

#### d. Future Meetings

- September 28, 2022 Investment Committee
- October 4, 2022 Governance Committee
- October 12, 2022 Board
- October 25-26, 2022 Strategic Workshop

### 2. Standing Committee Report – Finance and Risk Management Committee

Finance and Risk Management Committee Chair Laurie Murphy reported at its last meeting the Committee reviewed the administrative budget for the fourth quarter and the 2021/22 fiscal year, non-budgeted expenditures, and the quarterly checklist. The Committee received a confidential memo from Board Counsel and reviewed an analysis of administrative budgets of '37 Act systems.

#### a. Administrative Budget Fiscal Year 2021-22 Year-end Review

Consider and review expenses for quarter and fiscal year ending June 30, 2022

Total expenditures through the 4<sup>th</sup> quarter of the fiscal year were 88% of the budgeted amount. Salaries and Benefits expenses were 83% of the budgeted amount for the year due to staff vacancy savings. Services and Supplies were 100% of the budgeted amount for the year. Expenses included bank charges, higher annual insurance premiums, higher disability-related documentation, and ergonomic assessments and supplies to support remote work.

b. Non-budgeted Expenses

Consider and review non-budgeted expenses for the quarter and fiscal year

No discussion.

c. Quarterly Checklist

Consider, review and updates on the following:

1. MCERA educational and event-related expenses

Educational and event-related expenses totaled \$10,727 for the fiscal year. Event expenses included the SACRS Spring Conference.

2. Continuing Trustee Education Log

The Continuing Trustee Education Log shows trustees have met 2022 and many 2023 deadlines.

3. Other expenses per Checklist Guidelines

No discussion.

4. Variances in the MCERA administrative budget in excess of 10%

See discussion above.

5. Vendor services provided to MCERA

No discussion.

6. MCERA staffing status

No discussion.

7. Internal controls, compliance activities and capital calls

For the private equity program MCERA received over \$87 million in distributions and paid \$19.6 million in capital calls this fiscal year. Credit managers are in the funding phase.

8. Audits, examinations, investigations or inquiries from governmental agencies

No discussion.

9. Other items from the Administrator related to risk and finance

An analysis of administrative budgets of '37 Act systems shows that complexity of the Plan, including the number of participating employers, drives cost.

d. Annual Audit of Financial Statements Update

Update on audit process

The Audit Committee met in early August and was introduced by Brown Armstrong to a new audit partner. Participant testing is underway and the audit started out slightly behind schedule but the production of audited statements will be on time.

3. Ad Hoc Committee Report – Ad Hoc Education Committee

a. Strategic Workshop Agenda (ACTION)

Consider and take possible action to approve agenda

Mr. Wickman presented the draft agenda for the October 25-26, 2022 Strategic Workshop developed by the Ad Hoc Education Committee chaired by Trustee Werby. The Administrator invited comments on the proposed agenda.

It was M/S Gladstern/Murphy to approve the proposed agenda for the October 25-26, 2022 Strategic Workshop. The motion was approved by a vote of 8-0 as follows:

AYES: Cooper, Gladstern, Klein, Martinovich, Murphy, Silberstein, Tomlin, Werby  
NOES: None  
ABSTAIN: None  
ABSENT: None

4. Trustee Comments

a. Educational Training: Reports by Trustees and Staff

There were no scheduled educational events in the period.

b. Other Comments

No other comments by the trustees.

Chair Silberstein directed deliberations to **Agenda Item F, Other Information.**

**F. OTHER INFORMATION**

1. Training Calendar (ACTION)

The Administrator reported on updates to the monthly Training Calendar. Trustee Jones will be attending the virtual BlackRock Future Forum and Trustees Cooper and Gladstern will attend next week's Council of Institutional Investors (CII) Conference in Boston. In November Trustees Cooper, Silberstein and Werby will attend the SACRS Fall Conference in Long Beach. New events include two sessions of the Wharton Investment Strategies and Portfolio Management course.

It was M/S Murphy/Gladstern to approve the Training Calendar as submitted. The motion was approved by a vote of 8-0 as follows:

AYES: Cooper, Gladstern, Klein, Martinovich, Murphy, Silberstein, Tomlin, Werby  
 NOES: None  
 ABSTAIN: None  
 ABSENT: None

**G. CONSENT CALENDAR (ACTION)**

The monthly Consent Calendar was presented for consideration by the Board.

It was M/S Gladstern/Murphy to approve the Consent Calendar as submitted. The motion was approved by a vote of 8-0 as follows:

AYES: Cooper, Gladstern, Klein, Martinovich, Murphy, Silberstein, Tomlin, Werby  
 NOES: None  
 ABSTAIN: None  
 ABSENT: None

**CONSENT CALENDAR**

**MCERA BOARD MEETING, WEDNESDAY, September 14, 2022**

**AUGUST 2022**

<b>RETURN OF CONTRIBUTIONS</b>			
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Giovanni Alejo	Refund of Contributions (termination)	\$	12,299.14
Maribel Cabrera-Borloz	Refund of Contributions (termination)	\$	2,766.39
Cameron Jones	Refund of Contributions (termination)	\$	11,708.37
Jennifer Maldonado	Refund of Contributions (termination)	\$	23,469.64
Leslie Mendez	Partial Refund of Contributions (age change)	\$	869.73
Sarah Morgan	Refund of Contributions (termination)	\$	7,171.38
Audrey Sakande	Refund of Contributions (termination)	\$	27,701.79
Mohamadi Sakande	Refund of Contributions (termination)	\$	36,888.33
Cynthia Smith	Partial Refund of Contributions (correction)	\$	167.42

<b>BUYBACKS</b>			
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Mark Chhabria		\$	3,815.19
Elizabeth Magid		\$	2,505.77

<b>NEW RETIREES</b>	
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Ana Bernardes	County of Marin - Public Works
Guy Crow	City of San Rafael

Dennis Healey	County of Marin - Community Development
Cynthia Smith	County of Marin - Assessor-Recorder-County Clerk
Maureen Steger	Marin Superior Court
Alysanne Taylor	County of Marin - Library

<b>DECEASED RETIREES</b>
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Deborah Deibel	County of Marin - Health & Human Services
Arlene Downey	County of Marin - Assessor-Recorder-County Clerk
Kenneth Joseph	County of Marin - Fire
Aino Marcotte	City of San Rafael
Warren Nelson	LAFCO
Thomas Odetto	County of Marin - Sheriff/Coroner
Norma Simmons	County of Marin - Finance
Doris Youtz	County of Marin - Beneficiary

Chair Silberstein directed deliberations to **Agenda Item E, New Business.**

**E. NEW BUSINESS**

1. Final Public Employee Performance Evaluation Title: Retirement Administrator  
Board Chair report on Consensus Evaluation

Chair Silberstein reported that the Board’s consensus evaluation is that the performance of Retirement Administrator Jeff Wickman is outstanding. Following the evaluation the Ad Hoc Retirement Administrator Performance Evaluation Committee consisting of himself and Trustees Gladstern, Jones, and Murphy met. At the October meeting the Ad Hoc Committee will bring to the Board for consideration a 2% pay increase for the Retirement Administrator. As factors supporting this decision the Chair cited the management of the system in the COVID environment including remote work, personnel and business objectives being met, proxy voting for two portfolios, and cybersecurity controls. The proposed pay increase must be coordinated with the Marin County Board of Supervisors.

Chair Silberstein recessed Open Session and reconvened in Closed Session for consideration of **Agenda Item D, Non-Consent Disability Retirement Applications**, at 9:31 a.m.

Chair Silberstein recessed Closed Session and reconvened the meeting in Open Session at 11:15 a.m.

**D. CONSIDERATION OF AND ACTION ON NON-CONSENT AGENDA DISABILITY RETIREMENT APPLICATIONS (TIME CERTAIN: 9:30 a.m.) (CLOSED SESSION) (ACTION)**

Any non-Consent Agenda disability retirement application, whether pulled from the Disability Consent Agenda or originally agendized as a non-Consent agenda item, will be considered in Closed Session unless the applicant specifically waives confidentiality and requests that his or her application be considered in Open Session. The Board will move into

Closed Session via virtual breakout room. The live stream will indicate the Board is in Closed Session.

1. Wendy Chipps                                      Service-Connected                                      Marin County Sheriff

Initial consideration of an application for service-connected disability retirement.

At the direction of the Board Chair, Mr. Wickman reported there were three motions regarding Wendy Chipps' application for service-connected disability retirement.

The first motion by Trustee Gladstern and seconded by Trustee Werby to deny Wendy Chipps' service-connected disability retirement application failed on a vote of 4-4. Voting for the motion were Trustees Gladstern, Martinovich, Tomlin, and Werby. Voting against the motion were Trustees Cooper, Klein, Murphy and Silberstein.

The second motion by Trustee Cooper and seconded by Trustee Klein was to grant Wendy Chipps' service-connected disability retirement application.

A substitute motion by Trustee Gladstern and seconded by Trustee Werby to grant non-service connected disability retirement to Wendy Chipps failed on a vote of 2-6. Voting for the motion were Trustees Gladstern and Werby. Voting against the motion were Trustees Cooper, Klein, Martinovich, Murphy, Silberstein and Tomlin.


Finally, the second motion noted above to grant Wendy Chipps' service-connected disability retirement application passed on a vote of 6-2. Voting for the motion were Trustees Cooper, Klein, Martinovich, Murphy, Silberstein and Werby. Voting against the motion were Trustees Gladstern and Tomlin.

2. Future Meetings

Consider and discuss agenda items for future meetings.

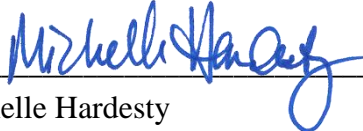
Chair Silberstein invited comments on topics for future meetings.

There being no further business, Chair Silberstein adjourned the meeting at 11:18 a.m.



Jeff Wickman  
Retirement Administrator

On behalf of:  
Steve Silberstein, Board Chair



Michelle Hardesty  
Assistant Retirement Administrator

On behalf of:  
Laurie Murphy, Secretary